Remarks/Arguments

A.   Pending Claims

Claims 66, 67, 69-83, 101, 134, 146, and 159-163 have been rejected. Claims 66, 76, 80, and 134 have been amended. Claims 66, 67, 69-75, 76, 77-79, 80, 81-83, 134, and 159-163 are pending in the case.

B.   35 U.S.C. § 112, Second Paragraph

The Examiner rejected claims 66, 76, 80, and 134 under 35 U.S.C. §112, second paragraph, as being indefinite.

The Examiner states:

> Claims 66, 76, 80 and 134 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These claims recite the limitation "if the weighted combined fraud indicator potential exceeds a threshold value...." this limitation is vague and indefinite.
>
> Applicant(s) are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C: " Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]" As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.

In the Office Action mailed February 9, 2007, the Examiner made a rejection almost identical to the rejection quoted above. At the time of the February 9, 2007 Office Action, Applicant's claims recited "if the weighted or combined fraud indicator potential exceeds a threshold value". [emphasis added]. In Applicant's response to the February 9, 2007 Office Action, however, Applicant removed the word "or" from the phrase. Claims 66, 76, 80, and 134 currently recite: "if the weighted, combined fraud indicator potential exceeds a threshold value". Thus, the

Examiner's rejection based on "optional elements" no longer applies to this phrase. Applicant respectfully requests that the Examiner provide an explanation of why the Examiner considers this phrase vague and indefinite, or that the rejections of claims 66, 76, 80, and 134 under 35 U.S.C. §112, second paragraph, be removed.

C.   The Claims Are Not Obvious Over Torres And Further In View of Pendelton Pursuant To 35 U.S.C. § 103(a)

The Examiner rejected claims 66, 67, 69-83, and 101 under 35 U.S.C. 103(a) as obvious over U.S. Patent No. Application No. 2005/0043961 to Torres et al. (herein after "Torres") and further in view of U.S. Patent No. 6,253,186 to Pendelton Jr. (herein after "Pendelton"). Applicant respectfully disagrees with these rejections.

In order to reject a claim as obvious, the Examiner has the burden of establishing a *prima facie* case of obviousness. *In re Warner et al.*, 379 F.2d 1011, 154 U.S.P.Q. 173, 177-178 (C.C.P.A. 1967). To establish a *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (C.C.P.A. 1974), MPEP § 2143.03.

Amended claim 66 describes a combination of features, including but not limited to:

determining a weighted, combined fraud potential indicator for the request relating to the particular accident, financial transaction, or medical bill, wherein the weighted, combined fraud potential indicator combines at least the first fraud potential indicator assessed for the request using the first fraud technique and the second fraud potential indicator for the request assessed using the second fraud technique, wherein, in combining the first fraud potential indicator and the second fraud potential indicator, the first fraud potential indicator is weighted differently from the second fraud potential indicator

Support for the amendments to claim 66 may be found in Applicant's specification at least on page 12, line 27 to page 13, line 20. The cited art does not appear to teach or suggest at least

these features of claim 66, in combination with the other features of the claim.

The Office Action acknowledges that Torres does not disclose "two potential fraud indicators." Nonetheless, the Office Action takes the position that it would have been obvious to one having ordinary skill in the art at the time the invention was made to use two fraud potential indicators, "since it has been held that *mere duplication* of the essential working parts of a device involves only routine skill in the art." (emphasis added). The Office Action relies on *St. Regis Paper Co. v. Bemis Co.*, 193 USPQ 8, 11 (7th Cir. 1977). In *St. Regis Paper*, the court held that redundancy of layers to confer strength was obvious in the paper bag art. *St. Regis Paper*, 193 USPQ at 11. Claim 66 of the present application, however, does not involve "mere redundancy." Claim 66 includes assessing a first fraud potential indicator for a request relating to the particular accident, financial transaction, or medical bill using a first fraud potential detection technique and assessing a second fraud potential indicator using a second fraud potential detection technique for the same request and the same accident, financial transaction, or medical bill, the second fraud potential detection technique for the request being different from the first fraud potential detection technique, weighting the fraud potential indicator for the request the accident, financial transaction, or medical bill assessed using the first technique different than the fraud potential indicator for the request the accident, financial transaction, or medical bill assessed using the second technique, and combining the weighted fraud potential indicators to determine a weighted, combined fraud potential indicator for the request relating to the particular accident, financial transaction, or medical bill.

The present application is similar to *Ex Parte Mattison*, 1995 WL 1696767 (Bd. Patent App. & Intf. 1995). In *Mattison*, the Board reversed an Examiner's rejection for an obviousness rejection that relied on *St. Regis Paper*. The court stated: "In the present case, the comparators are not redundant since each has *distinct inputs*." *Mattison* at *6 (emphasis added). Similarly, the potential fraud indicators recited in claim 66 are not redundant because they are assessed

using different fraud detection techniques. Rather than relying on a single fraud potential indicator to determine the probability that a request may be fraudulent, Applicant's claims are directed to basing the determination of potential fraud on multiple (i.e., at least two) fraud potential indicators that are derived using different techniques. Moreover, claim 66 offers the innovative function of basing the fraud potential on a "weighted, combined fraud potential indicator" determined by weighting and combining the fraud potential indicators assessed using the different techniques, thus freeing a user from having to perform an assessment of each of the fraud potential indicators that have been determined. These innovative and unique features are not taught or suggested by the cited art.

Amended claim 66 further describes:

referring the request relating to the particular accident, financial transaction, or medical bill for review if the weighted, combined fraud potential indicator exceeds a threshold value, wherein the threshold value is adjusted to control the number of requests with the weighted, combined fraud potential indicator exceeding the threshold value.

The Examiner relies on Pendleton, column 7, lines 35-59, to remedy the deficiencies in Torres. Pendleton states:

For purposes of the following discussion, the term "line" is used to represent a request for money to be paid in return for a product or service.
(Pendleton, column 5, lines 38-42)

In one embodiment of the invention, the process of accumulating the data involves simply adding the fraud indicators produced for each claim line to produce a total for a particular supplier or provider. Composite fraud data is stored in memory 66 for subsequent use in the computational process of branch B.
(Pendleton, column 7, lines 9-14)

After the composite fraud indicator is computed, it is compared to a threshold number which is based upon prior experience (block 70). The threshold number may be arbitrarily fixed or, alternatively, may be dynamic in the sense of being periodically or continuously updated by the system as additional data is processed. If the composite

fraud indicator exceeds the threshold, the results for the subject supplier or provider are written to neural network (NN) data base file 72 in a process represented by block 74. Only information on providers exceeding the threshold is stored in NN data base file 72. Data base file 72 serves as an input to a data base tracking system which provides for continuity across several days (or other period of interest). In the event the fraud indicator exceeds the threshold value, provider results are also written to statistics file 76 in a process represented by block 78. If the composite fraud indicator does not exceed the threshold, the system asks if a report is to be provided on all providers (block 80). If so, the provider results are written to statistics file 76. Statistics file 76 is essentially a report file which can be viewed by the user on line or printed, at the user's discretion. The system then branches as indicated to C and proceeds with neural network analysis of the first claim line for the new provider. This process continues until the end of sorted encoded claim file 48 is detected by block 68.
(Pendleton, column 7, lines 35-59)

Pendelton discloses the fraud potential of claims based on patterns and other features determined by comparing attributes of multiple "claim lines" that are submitted from a particular provider or supplier. One "line" corresponds to one payment request. Multiple "claim lines" for a particular provider or supplier can be added to produce a composite of all claim lines for the supplier. A composite number of the multiple claim lines for the particular provider may be compared to a threshold number. If the composite for the multiple claim lines exceeds a threshold value, the provider results are written to a neural network database file. Claim 66, in contrast to Pendelton, is directed to an analysis of a particular request to a financial institution relating to a particular accident, a particular financial transaction, or a particular medical bill using multiple fraud detection techniques for the request relating to the particular accident, a particular financial transaction, or a particular medical bill. Moreover, claim 66 is directed to referring the request for review if the weighted, combined fraud potential indicator exceeds a threshold value, wherein the threshold value is adjusted to control the number of requests with the weighted, combined fraud potential indicator exceeding the threshold value. Pendleton, alone or in combination with the other cited at, does not appear to teach or suggest at least this feature of claim 66.

For at least the reasons stated above, Applicant submits that claim 66 is allowable over the cited art. Applicant respectfully requests removal of the rejections of claim 66 and the claims dependent thereon.

Amended claim 76 recites:

determine a weighted, combined fraud potential indicator for the request relating to the particular accident, financial transaction, or medical bill, wherein the weighted, combined fraud potential indicator combines at least the first fraud potential indicator assessed for the request using the first fraud technique and the second fraud potential indicator assessed for the request using the second fraud technique, wherein, in combining the first fraud potential indicator and the second fraud potential indicator, the first fraud potential indicator is weighted differently from the second fraud potential indicator; and

refer the request relating to the particular accident, financial transaction, or medical bill for review if the weighted, combined fraud potential indicator exceeds a threshold value, wherein the threshold value is adjusted to control the number of requests with the weighted, combined fraud potential indicator exceeding the threshold value.

For reasons similar to those set forth above with respect to claim 66, Applicant submits that the cited art does not teach or suggest at least this feature of claim 76, in combination with the other features of the claim.

Amended claim 80 recites:

determining a weighted, combined fraud potential indicator for the request relating to the particular accident, financial transaction, or medical bill, wherein the weighted, combined fraud potential indicator combines at least the first fraud potential indicator assessed for the request using the first fraud technique and the second fraud potential indicator for the request assessed using the second fraud technique, wherein, in combining the first fraud potential indicator and the second fraud potential indicator, the first fraud potential indicator is weighted differently from the second fraud potential indicator; and

referring the request for the request relating to the particular accident, financial

transaction, or medical bill for review if the weighted, combined fraud potential indicator exceeds a threshold value, wherein the threshold value is adjusted to control the number of requests with the weighted, combined fraud potential indicator exceeding the threshold value.

For reasons similar to those set forth above with respect to claim 66, Applicant submits that the cited art does not teach or suggest at least this feature of claim 80, in combination with the other features of the claim.

Claim 134 recites, in part:

determining a weighted, combined fraud potential indicator for the insurance claim that combines at least the first fraud potential indicator for the insurance claim assessed using the first type of fraud detection and the second fraud potential indicator for the insurance claim assessed using the second type of fraud detection, wherein, in combining the first fraud potential indicator and the second fraud potential indicator, the first fraud potential indicator is weighted differently from the second fraud potential indicator; and

referring the insurance claim for review if the weighted, combined fraud potential indicator for the insurance claim exceeds a threshold value, wherein the threshold value is adjusted to control the number of insurance claims with the weighted, combined fraud potential indicator exceeding the threshold value.

For reasons similar to those set forth above with respect to claim 66, Applicant submits that the cited art does not teach or suggest at least this feature of claim 134, in combination with the other features of the claim.

Claim 69 recites:

wherein the request is an insurance claim, the method further comprising displaying a plurality of insurance claims, wherein the insurance claims are organized into lists according to referred claims, assigned claims, and rejected claims, and wherein selecting a graphical component respective to referred claims brings up a list of referred claims, wherein selecting a graphical component respective to assigned claims brings up a list of assigned claims, and wherein

15

selecting a graphical component respective to rejected claims brings up a list of rejected claims

Applicant submits that the cited art does not teach or suggest this feature of claim 69. With respect to the above quoted feature, the Examiner relies on Figure 9 of Torres. Figure 9 of Torres depicts a screen shot of a link analysis tool. The portion of the description corresponding to Figure 9 states:

> FIG. 9 shows a screen shot 900 of a link analysis tool used in the investigative step of the present invention. Based on a similar or partial match between an individual associated with a transaction dataset and a database of known threats found in earlier identification and detection stages, an investigator may perform additional background searches by simply clicking the relevant databases to further refine a potential threat. If further investigation is warranted, the link analysis tool 900 may access the results from the classification or detection process. The link analysis tool 900 may illustrate an identification section 910 for identifying an individual and an additional list of possible associations related to the individual. A second graphic section 920 provides a graphical depiction of the individual with links to other related information. This link-chart methodology is one of several investigatory methods for uncovering suspicious associations that an investigator might use.
> (Torres, Paragraph 0049)

Torres discloses a link analysis tool that may be used to illustrate an identification section for identifying an individual and a list of possible associations related to the individual. Torres does not teach or suggest displaying insurance claims, wherein the insurance claims are organized into lists according to referred claims, assigned claims, and rejected claims, and wherein selecting a graphical component respective to referred claims brings up a list of referred claims, wherein selecting a graphical component respective to assigned claims brings up a list of assigned claims, and wherein selecting a graphical component respective to rejected claims brings up a list of rejected claims.

Claim 163 recites: "wherein the first type of fraud potential detection comprises a predictive model and the second type of fraud potential detection comprises a business rules
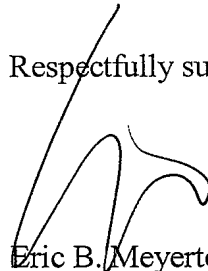
16

engine." The Examiner states: "Claim 163 is parallel with claim 161 and is rejected for at least the same reasons." Applicant disagrees. Claim 163 recites different features than claim 161 and therefore is not "in parallel" with claim 161. Moreover, claim 163 recites "the first type of fraud potential detection comprises a predictive model" and "the second type of fraud potential detection comprises a business rules engine." Even if the *St. Regis* case could be relied upon as a basis for rejecting a claim involving "mere duplication", the rationale of the *St. Regis* case does not apply to claim 163. For at least this reason, Applicant respectfully requests removal of the rejection of claim 163.

D.   **Additional Remarks**

Applicant submits that all claims are in condition for allowance. Favorable consideration is respectfully requested.

It is believed that no fees are required in connection with the filing of this document. If an extension of time is needed, Applicant requests the appropriate extension of time. If any fees are required, please charge those fees to Meyertons, Hood, Kivlin, Kowert & Goetzel, P.C. Deposit Account Number 50-1505/5053-64100/EBM.

Respectfully submitted,

Eric B. Meyertons

Reg. No. 34,876
Attorney for Applicant

MEYERTONS, HOOD, KIVLIN, KOWERT & GOETZEL, P.C.
P.O. BOX 398
AUSTIN, TEXAS 78767-0398
(512) 853-8800 (voice)
(512) 853-8801 (facsimile)
Date: ___Oct 30, 2001___

18